217-782-2113 <u>CERTIFIED</u> MAIL

ACID RAIN PROGRAM PERMIT

City, Water, Light and Power

Office of Public Utilities

Attention: Mr. William A. Murray, Designated Representative

4th Floor, Municipal Center East

Springfield, IL 62757

Oris No.: 963

IEPA ID No.: 167120AAO

Source/Unit: Dallman/Units 31, 32 & 33 Date Received: February 27, 2004

Date Issued:

Effective Date: January 1, 2005 Expiration Date: December 31, 2009

STATEMENT OF BASIS:

In accordance with Titles IV and V of the Clean Air Act, the Illinois Environmental Protection Agency is issuing this Acid Rain Program permit to the City, Water, Light and Power for its Dallman Station.

SULFUR DIOXIDE (SO₂) ALLOCATIONS AND NITROGEN OXIDES (NO_x) REQUIREMENTS FOR EACH AFFECTED UNIT:

	SO ₂	2005	2006	2007	2008	2009		
UNIT 31	Allowances, under Tables 2, 3, or 4 of 40 CFR Part 73*	1,385	1,385	1,385	1,385	1,385		
	NO _x limit	None (Pursuant to 40 CFR 76.6(a)(2), cyclone fired boiler with steam flow less than 1,060, in thousands of lb/hour at 100% load)						

	SO ₂	2005	2006	2007	2008	2009	
UNIT 32	Allowances, under Tables 2, 3, or 4 of 40 CFR Part 73*	1,568	1,568	1,568	1,568	1,568	
	NO _x limit	None (Pursuant to 40 CFR 76.6(a)(2), cyclone fired boiler with steam flow less than 1,060, in thousands of lb/hour at 100% load)					

	SO ₂	2005	2006	2007	2008	2009
UNIT 33	Allowances, under Tables 2, 3, or 4 of 40 CFR Part 73*	5,199**	5,199	5,199	5,199	5,199
ONIT 33	NO _x limit		sions for No ection, below		(Standar Pha tangenti	nillion Btu d limit for se II ally fired ers)

Includes allowances from the USEPA's 1998 reallocation due to a reduction in the Repowering set-aside [63 FR 51726, 51727, September 28, 1998, Table 2 —Phase II Allowance Allocations]

NO_X EARLY ELECTION COMPLIANCE PLAN

Pursuant to 40 CFR 76.8(d)(2), in December 1998, the Illinois EPA approved a NOx emissions early election compliance plan for Dallman Unit 33, effective for calendar years 2000 through 2007 (attached). Under this plan, the annual average NOx emission rate for Dallman Unit 33, determined in accordance with 40 CFR Part 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/million Btu for Phase I tangentially fired boilers. If the affected unit is in compliance with its applicable emission limitation for each year of the plan, then the unit shall not be subject to the applicable emission limitation, under 40 CFR 76.7(a)(1), of 0.40 lb/million Btu for Phase II tangentially fired boilers until calendar year 2008.

PERMIT APPLICATION: The permit application, including the NOx compliance plan, is attached and incorporated as part of this permit. The owners and operators of this source must comply with the standard requirements and special provisions set forth in the application.

COMMENTS, NOTES AND JUSTIFICATIONS: This permit contains provisions related to sulfur dioxide (SO_2) emissions and requires the owners and operators to hold SO_2 allowances to account for SO_2 emissions. An allowance is a limited authorization to emit up to one ton of SO_2 during or after a specified calendar year. The transfer of allowances to and from a unit account does not necessitate a revision to the unit SO_2 allocations denoted in this permit (See 40 CFR 72.84).

This permit contains provisions related to NOx emissions requiring Dallman Unit 33 to comply with applicable emission limitations for NOx under the Acid Rain program. Pursuant to 40 CFR 76.8(d)(2), in December 1998, the Illinois EPA approved NOx

^{**} Also includes return of repowring deduction of 2 allowance, which was returned by USEPA on October 30, 2000.

early election compliance plan for Dallman Unit 33. The compliance plan is effective for calendar years 2000 through 2007. Under the compliance plan, the annual average NOx emission rate for Dallman Unit 33, determined in accordance with 40 CFR Part 75, shall not exceed the applicable emission limitation, under 40 CFR 76.5(a)(1), of 0.45 lb/million Btu for Phase I tangentially fired boilers. Dallman Unit 33 shall be subject to the applicable NO $_{\rm x}$ emission limitation, under 40 CFR 76.7(a)(1), of 0.40 lb/million Btu for Phase II tangentially fired boilers for calendar years 2008 and 2009.

In addition to the described NO_X compliance plan for Dallman Unit 33, each affected unit shall comply with all other applicable requirements of 40 CFR Part 76, including, the duty to reapply for a NO_X compliance plan, and requirements covering excess emissions.

This permit does not affect the source's responsibility to meet all other applicable local, state and federal requirements, including state requirements under 35 III. Adm. Code Part 217 Subpart W, which addresses NOx emissions from Dallman Units 31, 32, and 33.

If you have any questions regarding this permit, please contact Kunj Patel at 217-782-2113.

Donald E. Sutton, P.E. Manager, Permits Section Division of Air Pollution Control

cc: Cecilia Mijares, USEPA Region V IEPA Region 3



Acid Rain Permit Application

For more information, was instructions and refer to 40 GFR 72.30 and 72.30

	This automission is:	New X Harrest	Renewal	
STEP 1				
Identify the source by plant name, State, and ORIS code.	Plant Name Di	allman	State II. C	NIS Code 963
SIEPZ		b		
Enter the unit ID# for every affected unit at the affected source in column "a." For new units, enter the	Unit IDV	Unit Will Hold Allowances in Accordance with 40 OFR 72 S(c)(1)	New Units Commones Operation Date	New Units Monitor Certification Deadline
requested information in columns "c" and "d."	31	Yas		
	3Z	Vas		
	33	786		S 35 - 5
		Yes		
		Yee		
		Tes		
		Yes		
		Yes		
		Yes		

Yes

Plant Name (from Step 1)

Dallman

STEP 3

Read the standard requirements

Permit Requirements

- (1) The designated representative of each affected source and each affected unit at the source shall:
 - (i) Submit a complete Acid Rain permit application (including a compliance plan) under
 - 40 CFR part 72 in accordance with the deadlines specified in 40 CFR 72.30; and (ii) Submit in a timely manner any supplemental information that the permitting authority determines is necessary in order to review an Acid Rain permit application and issue or deny an Acid Rain permit;
- (2) The owners and operators of each affected source and each affected unit at the source shall:
 - (i) Operate the unit in compliance with a complete Acid Rain permit application or a superseding Acid Rain permit issued by the permitting authority; and (ii) Have an Acid Rain Permit.

Monitoring Requirements

(1) The owners and operators and, to the extent applicable, designated representative of each affected source and each affected unit at the source shall comply with the monitoring requirements as provided in 40 CFR part 75.

(2) The emissions measurements recorded and reported in accordance with 40 CFR part 75 shall be used to determine compliance by the unit with the Acid Rain emissions limitations and emissions reduction requirements for sulfur dioxide and nitrogen oxides under the Acid Rain Program.

(3) The requirements of 40 CFR part 75 shall not affect the responsibility of the owners and operators to monitor emissions of other pollutants or other emissions characteristics at the unit under other applicable requirements of the Act and other provisions of the operating permit for the source.

Sulfur Dioxide Requirements

- The owners and operators of each source and each affected unit at the source shall: (i) Hold allowances, as of the ollowance transfer deadline, in the unit's compliance subaccount (after deductions under 40 CFR 73.34(c)), or in the compliance subaccount of another affected unit at the same source to the extent provided in 40 CFR 73.35(b)(3), not less than the total annual emissions of sulfur dioxide for the previous calendar year from the unit; and
- (ii) Comply with the applicable Acid Rain emissions limitations for sulfur dioxide.
 (2) Each ton of sulfur dioxide emitted in excess of the Acid Rain emissions limitations for sulfur dioxide shell constitute a separate violation of the Act.
- (3) An affected unit shall be subject to the requirements under paragraph (1) of the sulfur (3) An affected unit shall be subject to the requirements as follows:
 (i) Starting January 1, 2000, an affected unit under 40 CFR 72.6(a)(2); or
 (ii) Starting on the later of January 1, 2000 or the deadline for monitor certification under 40 CFR part 75, an affected unit under 40 CFR 72.6(a)(3).
- (4) Allowances shall be held in, deducted from, or transferred among Allowance Tracking System accounts in accordance with the Acid Rain Program.

 (5) An allowance shall not be deducted in order to comply with the requirements under
- paragraph (1) of the sulfur dioxide requirements prior to the calendar year for which the allowance was allocated.
- (6) An allowance allocated by the Administrator under the Acid Rain Program is a limited authorization to emit sulfur dioxide in accordance with the Acid Rain Program. No provision of the Acid Rain Program, the Acid Rain permit application, the Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 and no provision of law shall be construed to limit the authority of the United States to terminete or limit such authorization.
- (7) An allowance allocated by the Administrator under the Acid Rain Program does not constitute a property right.

STEP 3.

Cont'd.

Nitrogen Oxides Requirements The owners and operators of the source and each affected unit at the source shall comply with the applicable Acid Rain emissions limitation for nitrogen oxides.

Excess Emissions Requirements

(1) The designated representative of an affected unit that has excess emissions in any calendar year shall submit a proposed offset plan, as required under 40 CFR part 77. (2) The owners and operators of an affected unit that has excess emissions in any calendar year shall:

(i) Pay without demand the penalty required, and pay upon demand the interest on that penalty, as required by 40 CFR part 77; and

(ii) Comply with the terms of an approved offset plan, as required by 40 CFR part 77.

Recordkeeping and Reporting Requirements

(1) Unless otherwise provided, the owners and operators of the source and each affected unit at the source shall keep on site at the source each of the following documents for a period of 5 years from the date the document is created. This period may be extended for cause, at any time prior to the end of 5 years, in writing by the Administrator or authority:

(i) The certificate of representation for the designated representative for the source and each affected unit at the source and all documents that demonstrate the truth of the statements in the certificate of representation, in accordance with 40 CFR 72.24; provided that the certificate and documents shall be retained on site at the source beyond such 5-year period until such documents are superseded because of the submission of a new certificate of representation changing the designated representative;

(ii) All emissions monitoring information, in accordance with 40 CFR part 75, provided that to the extent that 40 CFR part 75 provides for a 3-year period for recordkeeping.

the 3-year period shall apply.

(iii) Copies of all reports, compliance certifications, and other submissions and all records made or required under the Acid Rain Program; and,

(iv) Copies of all documents used to complete an Add Rain permit application and any other submission under the Acid Rain Program or to demonstrate compliance with the equirements of the Acid Rain Program.

(2) The designated representative of an affected source and each affected unit at the source shall submit the reports and compliance certifications required under the Acid Rain Program, including those under 40 CFR part 72 subpart 1 and 40 CFR part 75.

- (1) Any person who knowingly violates any requirement or prohibition of the Acid Rain Program, a complete Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8, including any requirement for the payment of any penalty. gwood to the United States, shall be subject to enforcement pursuant to section 113(c) of the Act.
- (2) Any person who knowingly makes a false, material statement in any record, submission, or report under the Acid Rain Program shall be subject to criminal enforcement pursuant to section 113(c) of the Act and 18 U.S.C. 1001.

(3) No permit revision shall excuse any violation of the requirements of the Acid Rain Program that occurs prior to the date that the revision takes effect.

(4) Each affected source and each affected unit shall meet the requirements of the Acid Rain Program.

Dallman Plant Name (from Step 1)

Step 3 Cont'd.

Liability, Cont'd.

(5) Any provision of the Acid Rain Program that applies to an affected source (including a provision applicable to the designated representative of an affected source) shall also apply to the owners and operators of such source and of the affected units at the source. (6) Any provision of the Acid Rain Program that applies to an affected unit (including a (6) Any provision of the Adid Rain Program that applies to an affected unit (including a provision applicable to the designated representative of an affected unit) shall also apply to the owners and operators of such unit. Except as provided under 40 CFR 72.44 (Phase II repowering extension plans) and 40 CFR 76.11 (NO, averaging plans), and except with regard to the requirements applicable to units with a common stack under 40 CFR part 75 (including 40 CFR 75.16, 75.17, and 75.18), the owners and open affected unit of which they are not owners or operators or the designated representative. affected unit of which they are not owners or operators or the designated representative and that is located at a source of which they are not owners or operators or the designated representative.

(7) Each violation of a provision of 40 CFR parts 72, 73, 74, 75, 76, 77, and 78 by an affected source or affected unit, or by an owner or operator or designated representative

of such source or unit, shall be a separate violation of the Act.

Effect on Other Authorities

No provision of the Acid Rain Program, an Acid Rain permit application, an Acid Rain permit, or an exemption under 40 CFR 72.7 or 72.8 shall be construed as:

(1) Except as expressly provided in title IV of the Act, exempting or excluding the owners and operators and, to the extent applicable, the designated representative of an affected source or affected unit from compliance with any other provision of the Act, including the expressions of title Lof the Act relating to applicable National Ambient Air Quality Standards. provisions of title I of the Act relating to applicable National Ambient Air Quality Standards or State Implementation Plans;

(2) Limiting the number of allowances a unit can hold; provided, that the number of allowances held by the unit shall not affect the source's obligation to comply with any

other provisions of the Act;

(3) Requiring a change of any kind in any State law regulating electric utility rates and charges, affecting any State law regarding such State regulation, or fimiling such State regulation, including any prudence review requirements under such State law:

(4) Modifying the Federal Power Act or affecting the authority of the Federal Energy Regulatory Commission under the Federal Power Act: or.
(5) Interfering with or impairing any program for competitive bidding for power supply in a State in which such program is established.

STEP 4 Certification

Road the certification statement, sign, and

CPA Form 75

I am authorized to make this submission on behalf of the owners and operators of the affected source or affected units for which the submission is made. I certify under penalty of law that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. Based on my inquiry of those individuals with primary responsibility for obtaining the information. I certify that the statements and information are to the best of my knowledge and belief true, accurate, and complete. I am aware that there are significant penalties for submitting false statements and information or omitting required statements and information, including the possibility of fine or imprisonment.

Name	William A. Hurray		
Signature	William a Munas	Date	02/26/04

Phase II NO_x Compliance Plan Rope □ a □ Plan

			Mines and refer to 40					
STEP 1 Indicate plant name, State, and CRIS code from NADB, if applicable	Plant Name	Dallman			II. Stere	963 ORS Code		
STEP 2	Identify each affected Group 1 and Group 2 boller using the hotter that from NADS, if applicable, indicate boiler type: "CB" for cell burner, "C7" for cyclone, "DBW" for dry bottom wall-fired, "T" for tangentially fired, "V" for vertically fired, and "WB" for wet bottom. Indicate the compliance option selected for each unit.							
	ns 33	iDe	iow_	134	EN .	Lo		
i	Type T	Туре	Туре	Туре	Type	Type		
(a) Standard annual average privision limitation of 0.50 (seminous por Preset any bottom wall-first collers)	П							
(b) Standard annual average amission limitation of 0.45 Exhamilia (for Phase) tangerowy fired DSRrs)	X.							
ini CPA approved early election plan under 45 CPR 75.5 through 129107 (also indicate above arranges both specified in plan)	x							
idi Standard angusi aserapa emassion limitation of 1.46 IbimmBtu ifor Phase I dry bottom wak-ik45 bottera			П					
(e) Standard annual average critication (buildable) of 0.40 EtrimBlu (for Phage I) langeritally fired Dollers)	(X)							
(f) Standard onnual average emission invitation of 0.65 b/pmithu (for cell burner tollers)								
g) Standard annual average imission imitation of 2.36 lannible (for cyclone bollens)	П							
hi Standard around average pression impation of (18) bermittu (for vertically lead bollers)								
n Standard annual average emission lemisation of 0.54 binning in jor wet bottom bottom				П				
NO. Averaging Plan (include FD, Averaging form)								
o 40 Chromos stack purpulant o 40 CFR 75. 17(a)(2)(b)(A) check the standard unisation initiation por above for must initiation (initiation applicable to try unit utilizing stack)								
)] Common stack pursuant to 40 (FR 75.17(a)(3)(d)(R) was 90.		П	п	П				

	Plan: Name (hr	NO ₂ C	, Completes e - Page 2 Page [2] of [2]			
STEP 2, cont'd.	UA Type	Type	Dy	Cu	IDE	DA
(m) EPA-approved common stack apacet longings; method pursuant to 46 CFs 71; car (54/2) ar (54/2)				[F950		
(n) AEL (include Phase if AEL Demonstration Period Plant AEL Petition, or AEL Renewal form as appropriate)			0			П
(a) Position for AEL Opportunited on Park AEL under review by U.S. EPA o demonstration period ongoing	, 🗆					0
(p) Repowering extension plan approved or under review	П					

STEP 3
Road the standard
requirements and
certification, enter the
name of the designator
representative, sign &

Standard Requirements

General. This source is subject to the standard requirements in 40 CFR 72.9 (consistent with 40 CFR 78.5[a][1][0]]. These requirements are faced in this course's field from fractal.

cial Provisions for Early Election Units

histogen Doales. A unit that is governed by an approved early dection plan shall be subject to an emissions limitation for NO, as provided under 40 CFR 76.8(a)(2) cooper as provided under 40 CFR 76.8(a)(2)). In this case of the provided under 40 CFR 76.8(a)(2) cooper as provided under 40 CFR 76.8(a)(2)). The owners and approved early excluding that said be listed for any violation of the plan or 40 CFR 76.6 at that unit. The owners and operators shall be listed, beginning January 1, 2000, for fulfilling the exhiptance of the plan of 40 CFR 76.6 at that the shall be in effect only until the earlier of January 1, 2008 or January 1 of the calendar year for which has termination of the plan that select. If the designation representation of the unit under an approved early selecting pin light to destinations which the applicable enhance limitation under 40 CFR 76.5 for any year during the period beginning January 1 of the first year the early election takes office and energy January 1, 2007, its permitting attributy will terminate the plan. The termination compliance, and the selection plan large end of the unit under an approved early election plan may terminate the plan any learning attributy end to demonstrate compliance of the unit under an approved early election plan may terminate the plan any learning for the plan any learning the plan any learning for the plan any learning the plan any learning for the effective designation and the early election plan is order to terminate the plan, the designation provided on make any election plan in under an approved early election plan may terminate the plan any learning for the election plan is not to all the plans. It is offer the election plan is not exhibited in make all of the plans in the election plan is not any learning the plan any learning that the entire election plan is not exhibited on the election plan is not exhibited to the plans and exhibited the formination for NO, f

I am authorized to make this submission or behalf of the owners and operators of the affected source or affordat units for which the submission is made. I carefy under penelty of law that I have percently examined, and am familiar with, the obstances and information submission has occurrent and all its affectivenests. Second on my requiry of those individuals with primary responsibility for obtaining this information, I contrib that the submission and of the feed of the feed of the december, and complete. I am unears are significant penalties for submissing false statements and information, including the possibility of feed or improvement.

4ame	William A. Nurray	
Signature	1400 N9M -	Date 02/26/04